
H O U S I N G



Housing

In 1980, the US Census recorded 2,479 housing units in East Cambridge, 2,229 of which are occupied. Since 1980, 235 units have been built and four units have been demolished, leaving a total of 231 net new units. (See table on this page). Cambridge assessing records show 741 buildings in the neighborhood: 30% are single family; 27% are two family homes, 17% are three family homes, and 26% contain four or more units. Of the 741 residential buildings, 74% are owner-occupied.

According to the Cambridge Office of Revaluation, four buildings were converted to condominiums between 1980 and 1986. One condominium building was recorded as being newly constructed. Three additional condominium projects are under construction along the East Cambridge riverfront, which will add an additional 557 new units. The Galleria Mall development will also include approximately 75 units.

Three-fourths of all structures in the neighborhood were built prior to 1950 (1980 Census). Historically, many homes in East Cambridge have lacked some or all plumbing. In 1960, 38% of the homes lacked plumbing. By 1980, however, this figure had dropped to 4%.

East Cambridge is a neighborhood of renters in proportions similar to the City as a whole. The table below describes the proportions of renters and owners in East Cambridge since 1960:

	Renters	Owners
1960	73%	27%
1970	75%	25%
1980	77%	23%

Results from the East Cambridge Demographic Survey (Bell Associates, 1988) indicate that homeownership rates have increased to 34% since 1980.

East Cambridge New Residential Construction, 1980-1988

Location	Number of Units
120-130 Gore Street	8
198-220 Charles Street	7
34 Second Street	1
217-218 Fulkerson Street	55
71 Fulkerson Street	38
150 Gore Street	114
27 Fifth Street	1
494 Cambridge Street	2
113-115 Seventh Street	2
476 Cambridge Street	1
208 Hurley Street	8
TOTAL	235

Units Under Construction

Project	Number of Units
Esplanade, 75 Cambridge Parkway	206
Grave's Landing, Lechmere Canal	180
River Court, First and Rogers Streets	171
TOTAL	557

Rental Prices

Rents in East Cambridge have traditionally been among the lowest in the City. The table below compares neighborhood median rents to those throughout Cambridge.

Median Rents: 1960 - 1980

	East Cambridge	Cambridge
1960	\$35	\$63
1970	\$70	\$134
1980	\$118	\$219

According to the East Cambridge Demographic Survey (Bell Associates, 1988) breakdown of rental prices in East Cambridge are:

Monthly Rent	Percent
\$300 or less	47%
\$301 - \$600	34%
\$601 - \$900	9%
\$901 - \$1200	7%
\$1200 or more	1%

Additional conclusions from the 1988 demographic survey are:

- (1) 45% of rental units less than \$300 are owned by the Cambridge Housing Authority.
- (2) Residents who pay lower rents (\$300 or less) tend to live in buildings with four or more apartments.
- (3) Longer term residents (11+ years) tend to pay lower rents than people who recently moved to the neighborhood.

According to the Cambridge Rent Control Board, East Cambridge has 884 units of rent-controlled housing in 270 buildings, representing approximately one-third of all units. Rental levels in controlled units in East Cambridge are as follows:

Monthly Rent	Percent
\$300 or less	83%
\$301 - \$600	15%
\$601 or more	2%

Type and Volume of Sales

There were 108 non-condominium housing sales and 15 condominium sales between 1981 and 1986. Approximately one-third (32%) were of single family homes, close to one-fourth (23%) were two family homes, and 22% were three family homes. The remaining sales were four to eight unit buildings (21%) and buildings with nine or more units (3%).

The years with the greatest sales volume were 1982 and 1986. Twenty non-condominium sales occurred in each of those years. In each case, 17 out of 20 were one-to-three family buildings. Sales slowed somewhat in 1983, when only nine one-to-three family homes were sold.

Single family home sales peaked in 1982, when twelve sales occurred. In other years, the volume was steady, with three to six sales per year. A similar pattern held for two-family homes: two to five sales per year. Three-family homes sales ranged from one to five per year until 1986, when sales jumped to ten in one year.

Housing Sales Price Trends

East Cambridge has historically been one of the city's most affordable neighborhoods for home buying. One to four family home prices since 1960 were lower than those in Cambridge as a whole. Throughout the 1970s, prices were higher in all other Cambridge neighborhoods.

Average prices in East Cambridge rose by 68% during the 1960s, then flattened out until the late 1970s. When adjusted for inflation, prices actually *fell* 32% during this period. While prices for the City and other neighborhoods increased in the late 1970s, those in East Cambridge only rose slightly (33% , or 3% in constant dollars). The average price in the years 1976 - 1980 was only \$8,000 more than it was in the late 1960s.

After years of flat or slow growth, sales prices climbed rapidly in the 1980s. From the period 1976 - 1980 to 1981 - 1983, East Cambridge prices rose by 90%; this was the largest percentage increase of any neighborhood in the City. Sales prices for one to four unit homes doubled from the early to the mid-1980s. In contrast, city-wide prices increased by 60%.

East Cambridge VS. Cambridge

Average Sale Prices: 1-4 Family Homes 1961 - 1986

Year	East Cambridge	Cambridge
1961-1965	\$12,500	\$24,000
1966-1970	\$21,000	\$34,500
1971-1975	\$21,000	\$41,000
1976-1980	\$28,000	\$63,500
1981-1983	\$53,080	\$111,888
1984-1986	\$104,390	\$176,720

Source: Cambridge Community Development Department; Banker & Tradesman

The following table shows the range of home prices during the early and mid-1980s:

	Price Range: '81-83	Price Range: '84-86
One family	\$22,000 - 75,000	\$48,000 - 132,000
Two family	\$25,000 - 170,000	\$45,000 - 190,000
Three family	\$32,000 - 80,000	\$55,000 - 200,000

The condominium market did not emerge until 1986; only one sale was registered in 1981. While information is not available for 1987, most of the Thorndike Place condominiums occurred during this year. The median price for condominiums in 1986 was \$137,250, with prices ranging from \$99,000 to \$270,000.

The neighborhood is becoming more expensive for home buyers. The table below shows the median price for a one to three family home in 1981 and 1986, and the income needed to purchase it.

Income Needed to Purchase 1-3 Family Home

	Median Price	Income Needed
1981	\$50,000	\$21,000
1986	\$160,000	\$48,000

The required income to purchase a home more than doubled during the six year period from 1981-1986. Rising rent levels in the neighborhood, however, may enable buyers of two and three family buildings to purchase a home with a lower income than the figure shown.

Housing Price Comparisons, 1981-1986

(1) From 1981-1986, East Cambridge prices followed citywide trends, but at a lower level.

(2) Median house prices in East Cambridge ranged from \$30,000-\$50,000 lower than prices in the City as a whole.

(3) Three family homes were closer in price to those citywide. The gap between East Cambridge and Cambridge ranged from \$15,000 to \$30,000. The median price for all triple deckers in the neighborhood for 1984-1986 was actually higher than it was citywide (\$160,000 vs. \$146,000).

(4) Housing prices in Greater Boston were consistently higher than in East Cambridge during each year of the 1981-1986 period. This regional trend of unprecedented housing increases has been a contributing factor to rising costs in East Cambridge and the City as a whole.

(5) In 1981, Somerville prices for one to three family homes mirrored East Cambridge (\$45,650 vs. \$50,000). By 1985, however, the Somerville median price was nearly \$30,000 more than in East Cambridge, rising 202% compared to 120% in East Cambridge.

Sales Turnover and Location

Despite rising housing costs, the housing data shows very few signs of property speculation. Only four of 123 sales between 1981 and 1986 were sold more than once. All of these buildings remained owner-occupied. In three out of four cases, however, the price increased substantially. One building went from \$37,500 in 1981, to \$200,000 in 1986.

While sales have not been highly concentrated in any particular area, a few streets do have a high number of sales.

Sixth Street:	11 sales
Cambridge Street:	10 sales
Otis Street:	7 sales

Neighborhood-wide Survey (Bell Associates)

(1) Both renter (66%) and homeowners (65%) view high housing costs as a major problem in East Cambridge.

(2) East Cambridge residents believe strongly that there is a need for more housing opportunities.

- 67% said there is a need for more housing opportunities, 25% said there is not a need.

(3) The need for more rental housing is perceived as greater than the need for more homeownership opportunities.

- 50% said there is a greater need for rental housing,
- 16% said there is a greater need for homeownership, and
- 22% said the need for both is equal.

(4) Most renters expect to own a home in the future, but believe they cannot afford to purchase a home in East Cambridge.

- 57% expect to own a home in the future, 37% do not.
- 80% think they cannot to buy a home in East Cambridge.

(5) A large majority of homeowners (74%) are aware of the City's home improvement programs to fix up their homes, but a much smaller number of residents (38%) are aware of programs that provide homeownership assistance.

(6) The majority of residents consider rundown homes a problem, but think the condition of the housing stock is getting better.

- 23% think rundown housing is a major problem,
- 38% think it is a minor problem, and
- 35% do not think it is a problem at all.
- 75% of residents rate the housing in better condition than five years ago.

Study Committee Concerns

(1) *Housing Affordability*: The problem of housing affordability is one of the committee's primary concerns. Escalating real estate prices are making it extremely difficult for long-time residents to remain in the neighborhood. There is a strong need for both ownership and rental opportunities in East Cambridge.

(2) *Condominium Conversion*: The conversion of three family homes into condominiums is likely to accelerate over the next decade. This trend could further reduce the number of affordable rental units in the neighborhood. On the other hand, some committee members view the conversions as a possible resource for creating more affordable homeownership opportunities for moderate income residents.

(3) *Housing Production*: The ability to produce more affordable housing for low and moderate income residents is becoming increasingly difficult. The scarcity of vacant land, high land values and high construction costs severely limit the amount of affordable housing that can be built. The new housing that has been built has been luxury and market rate.

(4) *Density of Development*: The neighborhood is now having to face the dilemma of accepting greater density (taller and bigger buildings) in order to receive a limited number of affordable units a project. With the amount of new development in an already densely built neighborhood, this tradeoff is becoming increasingly unacceptable.

(5) *Abatement Programs*: The committee believes that many elderly and handicapped homeowners are not aware of the City's property tax abatement program.

(6) *Rent Control*: Most committee members think that many property owners have difficulty dealing with the bureaucracy, that rent control tends to be a disincentive for making property improvements and that upper income tenants should not be receiving the benefits of rent control.

Housing Recommendations

(1) Examine the conversion of three family homes to condominiums to determine its effect on the supply of affordable housing and to determine if such conversions can be a potential resource for creating new homeownership opportunities, such as forms of limited equity ownership.

(2) Improve the condition of the existing housing stock in the following ways:

- a. Continue to target public resources for housing rehabilitation to low and moderate income residents.
- b. Continue to explore ways to upgrade rent controlled housing.
- c. Continue to work with neighborhood non-profit agencies to deliver housing rehabilitation services.

(3) Construct new affordable housing for low and moderate income homebuyers and renters in the following ways:

- a. Identify all publicly-owned vacant and under-utilized buildings.

- b. Seek all available public subsidies from federal, state and local governments.

- c. Work with private developers to include affordable units in all new housing developments.

(4) Continue to assist low income elderly homeowners to remain in their homes by targeting housing rehabilitation services to them.

(5) Consider ways in which rent control can better serve low and moderate income people and how small property owners can be better informed and educated about the rules and procedures of rent control.

(6) Widely publicize the various tax abatement programs available to seniors and handicapped residents.

(7) Update housing data and statistics each year, such as housing sales and condominium conversions, and make this information available to East Cambridge residents.

(8) Work with private developers and public agencies to ensure that all new housing developments are built in scale and character with the surrounding neighborhood.